

Weebit Nano moves closer to availability at DB HiTek; tapes out first chip

Licensing negotiations progressing with potential partners and customers

Q4 FY24 Quarterly Activities Report

Key highlights

- Released to manufacturing first chip at DB HiTek; customer engagement ramping up
- Evaluations and licensing negotiations progressing with leading foundries, integrated device manufacturers (IDMs) and product companies
- Collaboration with Efabless to enable faster and more efficient prototyping of intelligent devices using Weebit ReRAM at SkyWater Technology
- Showcased Weebit ReRAM on GlobalFoundries' 22FDX® wafers at major trade shows

31 July 2024 – Weebit Nano Ltd (ASX: WBT, Weebit or Company) provides this activity report for the quarter ended 30 June 2024 (Q4 FY24), along with the Company's Appendix 4C cash flow report.

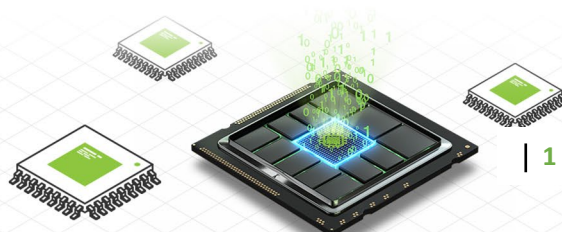
Weebit CEO Coby Hanoch said: "Weebit Nano continues to advance its embedded ReRAM IP, taping-out its first demo chips at DB HiTek, partnering with chip prototyping platform Efabless, and progressing negotiations with many of the world's leading foundries and integrated device manufacturers (IDMs) to provide their extensive customer bases with access to Weebit's ReRAM.

"We're moving quickly to have our IP available at Tier-1 foundry DB HiTek, nearing completion of the technology transfer with the release to manufacturing of the first demo chips. In parallel with our technical progress, we're also engaged with several DB HiTek customers and are working to secure licensing agreements with them. These discussions are being driven by increased demand from fabless product companies for ReRAM IP, given industry recognition that ReRAM is the leading technology replacing embedded flash in next-generation devices.

"We're seeing first-hand a growing interest in ReRAM for power management, microcontrollers and automotive applications, and are very encouraged by recent discussions with foundries and IDMs. While commercial negotiations are naturally very long and complex, these contracts form the foundation of our future success with each manufacturer providing access to large customer bases, and over time, royalties. Weebit is one of only three known providers of qualified ReRAM across the globe, and the market's only independent provider, and we continue to demonstrate the stability and scalability of our technology.

"Our collaboration with Efabless is also supporting adoption of our ReRAM, enabling SkyWater Technology customers to cost-effectively prototype and test their next-generation chip designs using our embedded ReRAM. This partnership removes barriers for potential customers, allowing them to test our ReRAM capability within their own designs at minimal risk.

"Weebit's Board and management team remain very optimistic about our embedded ReRAM technology, the significant addressable market, and Weebit's commercialisation opportunities. This confidence was highlighted by several Directors, including myself, recently purchasing shares on-market."



Taped-out demo chip at DB HiTek

In July, Weebit Nano taped-out (released to manufacturing) its first demo chip at DB HiTek, marking a significant milestone in its tech transfer to the leading foundry. Weebit's non-volatile memory IP, once tested and qualified, will be available in DB HiTek's 130nm Bipolar-CMOS-DMOS (BCD) process - which has broad applicability across consumer, industrial, and IoT applications.

Weebit increased its engagement with DB HiTek's extensive customer base during the quarter and is working towards securing customer agreements. Discussions are also progressing with potential customers who are interested in moving manufacturing to DB HiTek to access Weebit's ReRAM. Weebit expects to complete qualification and have its technology available for mass production at DB HiTek in the second quarter of the 2025 calendar year.

Collaboration with chip creator platform Efabless

In May, Weebit Nano signed a collaboration agreement with chip design platform Efabless Corporation to facilitate faster and more efficient prototyping of next-generation devices using Weebit's ReRAM. Efabless' chipIgnite customers will soon be able to use Weebit's non-volatile memory technology to embed more system capabilities into their next-generation prototype chip designs being manufactured in SkyWater Technology's S130 process.

The chipIgnite platform is used by academics, researchers, start-ups, as well as large OEMs to cost-effectively design, fabricate and test new intelligent devices across IoT, artificial intelligence, and other high-growth applications. Under the collaboration agreement, Efabless customers pay a small fee to embed Weebit ReRAM in their prototype designs and, if they want to move to commercial use, will need to license the IP directly from Weebit.

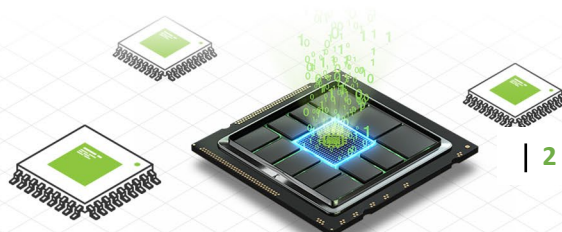
Weebit ReRAM on GlobalFoundries' 22nm

During the quarter, Weebit Nano confirmed the scalability of its memory technology with multiple live demonstrations of its embedded ReRAM module on GlobalFoundries' advanced 22FDX wafers. Demos were held at key industry events, including Leti Innovation Days and Embedded World 2024, and attracted significant customer interest. The 22nm geometry is one where embedded flash is not viable, and this demo shows Weebit ReRAM is capable of scaling to such smaller geometries with robust performance.

Testing of the 8Mb 22nm demo chip – Weebit's largest memory capacity module to date – exceeded expectations for baseline performance and is continuing as more wafers arrive.

Customer engagements

Advanced technical evaluations and commercial negotiations with over a dozen of the world's leading foundries, IDMs, and product companies are ongoing. These discussions are progressing well, and the Company is continuing to target licensing agreements by the end of the calendar year. The long evaluation and negotiation cycle is typically due to these large potential partners being very cautious about the technologies and materials being introduced into their very expensive fabs, and they want to be sure Weebit's ReRAM meets their customers' requirements. Once an agreement is signed, it will typically last decades, with hundreds of customers having access to the IP and producing thousands of products with it.



These activities are being led by Issachar Ohana, Weebit's new Chief Revenue Officer, who is establishing a global sales team to support increased sales activity.

Market engagement

Weebit Nano participated in and presented at several leading industry conferences and trade shows during Q4 FY24, including Embedded World in Germany, ChipEx in Israel, the International Memory Workshop 2024 in South Korea, the Global Semiconductor Alliance (GSA) European Executive Forum 2024 in Germany, the Design Automation Conference (DAC) 2024 in the USA, and Leti Innovation Days in France. These events, which included keynote, plenary and panel sessions from Weebit's executive team, are increasing awareness of the benefits of Weebit's ReRAM technology and supporting discussions with potential partners and customers.

In the coming quarter, Weebit will participate in the Leti Semicon Workshop in San Francisco (occurred in July), the Future Memory Summit 2024 in the USA, the SemIsrael Expo 2024 in Israel, and CSIA-ICCADC 2024 in China.

Board changes

In August, Executive Director Mr Yoav Nissan-Cohen will transition to a Non-Executive Director role, reflecting Weebit's strengthened leadership team. The change enhances the structure of the Board while retaining Mr Nissan-Cohen's deep industry expertise.

Investor briefing details

CEO Coby Hanoach will participate in a "Meet the CEO" interview covering the Company's quarterly update at 3:30pm AEST on Thursday, 1 August 2024. Participants will have an opportunity to ask questions at the end of the webinar.

To attend, please pre-register at:

https://us02web.zoom.us/webinar/register/WN_3VJxLpjnQmGJxVGw2dZreg

Financials

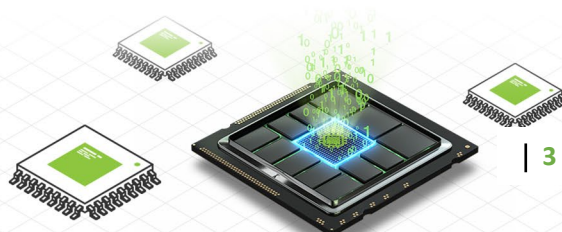
Notable operating cash flow items during Q4 FY24 include R&D expenses of A\$1.6 million, net of R&D grant received from the French Tax Authority. Payments to related parties, including fees paid to Directors and the CEO's cost of payroll, were A\$326,000. Weebit is well-funded to execute on its commercialisation plans with a strong cash balance of A\$63 million as at 30 June 2024.

Looking forward

Weebit Nano is on track to achieve the following milestones in 2024:

- Sign additional customer agreements with IDMs/foundries/product companies;
- Complete technology transfer in DB HiTek's production fab and prepare for qualification; and
- Complete testing of its 22nm GlobalFoundries wafers and demonstrate competitive performance.

- ENDS -



This announcement has been authorised for release by the Board of Weebit Nano Limited.

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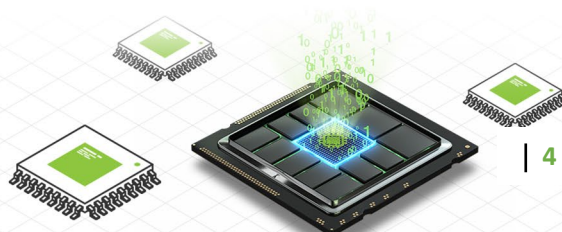
About Weebit Nano Limited

Weebit Nano Ltd. is a leading developer and licensor of advanced semiconductor memory technology. The company's ground-breaking Resistive RAM (ReRAM) addresses the growing need for significantly higher performance and lower power memory solutions in a range of new electronic products such as Internet of Things (IoT) devices, smartphones, robotics, autonomous vehicles, 5G communications and artificial intelligence.

Weebit's ReRAM allows semiconductor memory elements to be significantly faster, less expensive, more reliable and more energy efficient than those using existing flash memory solutions. As it is based on fab-friendly materials, Weebit ReRAM can be integrated within existing flows and processes faster and easier than other emerging technologies, without requiring special equipment or large investments.

See: www.weebit-nano.com

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Weebit Nano Limited (ASX: WBT)

ABN

15 146 455 576

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	457
1.2 Payments for		
(a) research and development	(1,665)	(13,088)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(391)	(1,382)
(d) leased assets	(95)	(373)
(e) staff costs	(2,406)	(10,942)
(f) administration and corporate costs	(922)	(2,738)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	655	3,104
1.5 Interest and other costs of finance paid	(6)	(38)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(4,830)	(25,000)

The company received an R&D related grant of AUD 1,615,000 from the French Tax Authority which have offset current quarter development costs.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(40)	(1,046)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(40)	(1,046)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	490
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(14)	(49)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(14)	441

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	67,841	87,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,830)	(25,000)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(1,046)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	441
4.5	Effect of movement in exchange rates on cash held	(124)	481
4.6	Cash and cash equivalents at end of period	62,833	62,833

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,885	4,147
5.2	Call deposits	56,948	63,694
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	62,833	67,841

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	326
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The payments at 6.1 relate to salaries, bonuses and consulting/director fees for directors' within the group.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,830)
8.2	Cash and cash equivalents at quarter end (item 4.6)	62,833
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	62,833
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	13
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The company received an R&D related grant of AUD 1,615,000 from the French Tax Authority which have offset current quarter development costs.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.